



Project Implementation in ISA Member countries

28th ISA Sun Meet
15th July, 2020

#WorldInCommon

AGENCE FRANÇAISE DE DÉVELOPPEMENT | FRENCH DEVELOPMENT AGENCY

Energy Transition: Mission and Strategic Priorities

Mission

« Accelerate the energy transition of developing countries towards energy services accessible to all, efficient and carbon-free »

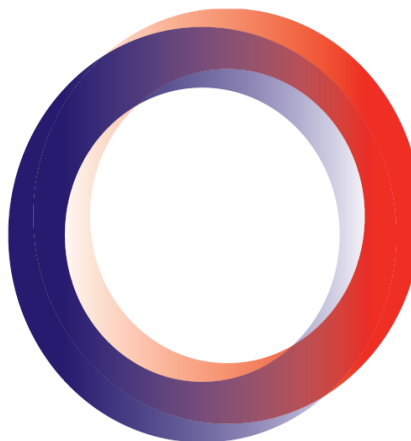
Strategic priorities

3 focus areas

Access to energy services
for all

Energy efficiency
and demand management

Modernised and decarbonised
energy supply



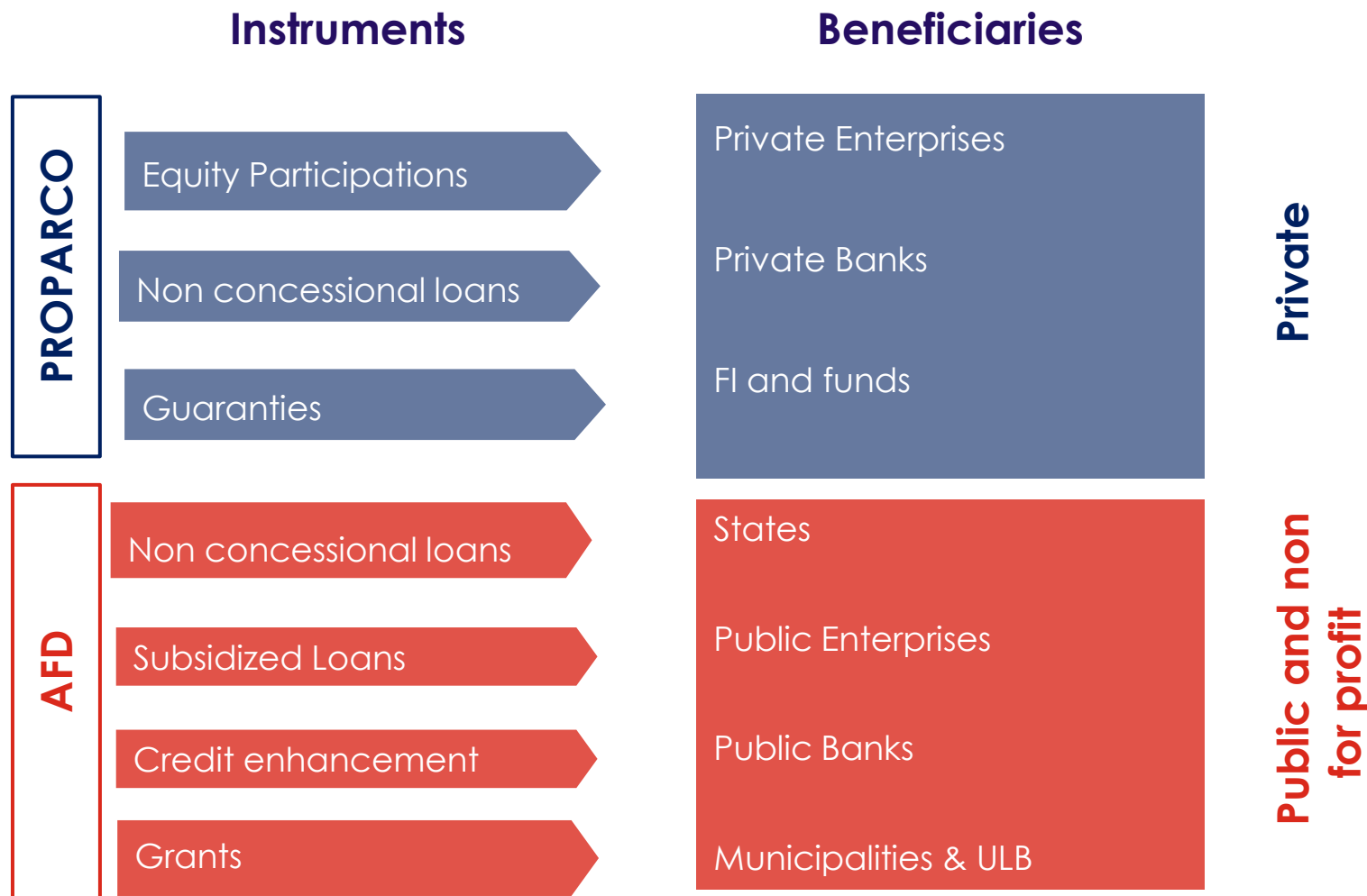
3 acceleration levers

Support for
energy transition policies

Mobilisation and strengthening
of the actors contributing
to the energy transition

Support for innovation

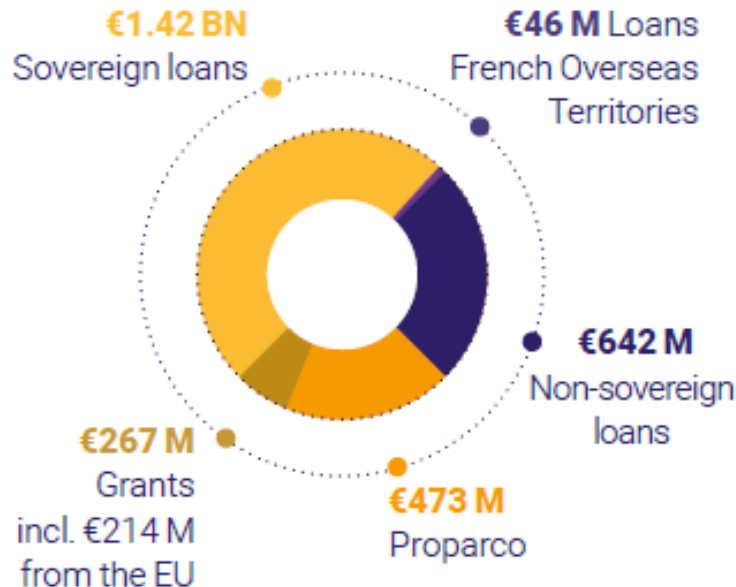
DIVERSIFIED FINANCIAL INSTRUMENTS



Breakdown by Financing Instrument

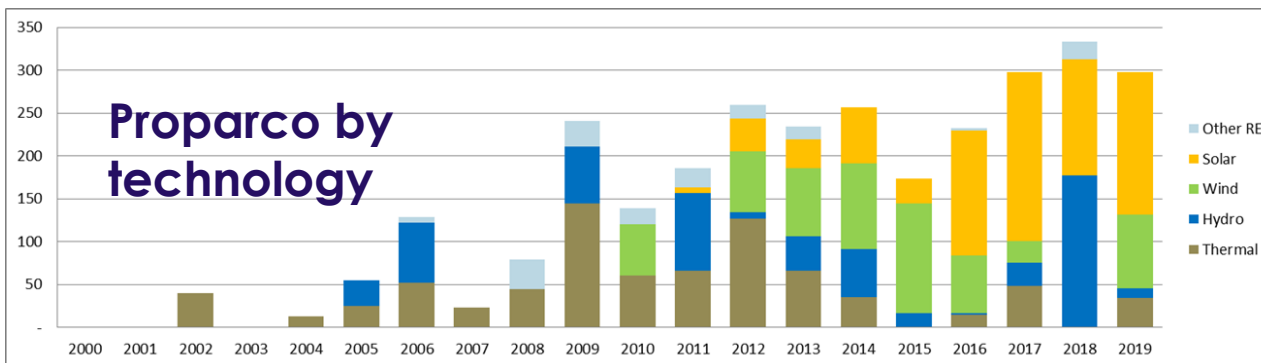
Breakdown by financial tool

In €M

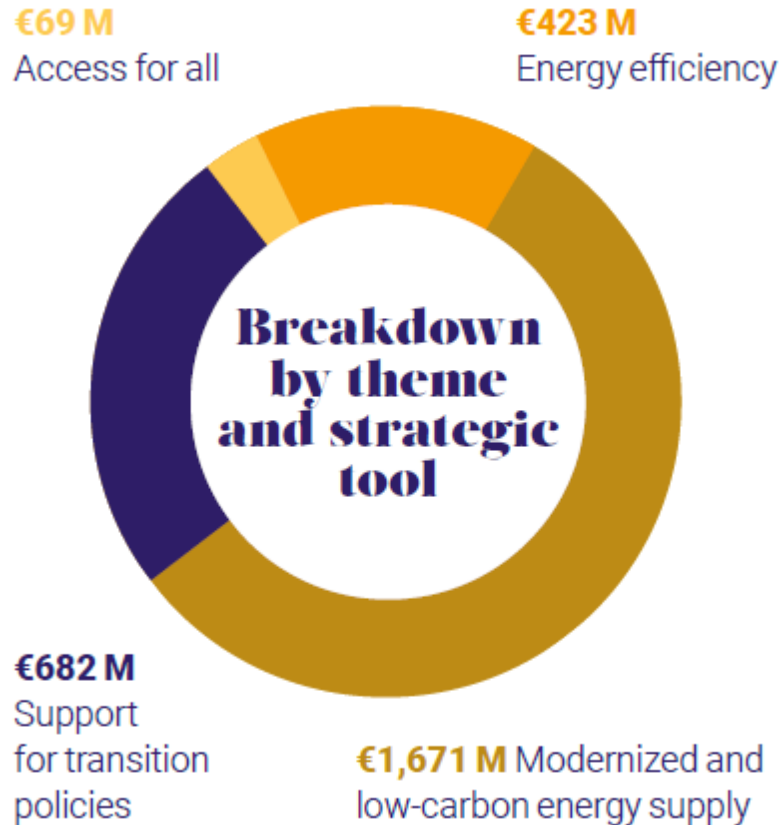


- Sovereign is relatively high with half of the total amount
- Non sovereign is mainly credit line for public banks
- Proparco + credit lines: more than 1bn for the private sector
- Limited access to grants except for EU

Proparco by technology



Breakdown by Strategic Priorities



- Renewable energy / networks improvement first
- Development policy loan are at an all-time high
- Energy efficiency is significant, with PEEB, utilities / municipalities and credit lines
- Access relies mainly on grants

Energy Transition Political Commitments

AREI (Africa Renewable Energy Initiative)

- Political Commitment: 3 bn € for renewable energy and access in Africa between 2016 and 2020
- End of 2019, committed financing stand at 2.9 bn

ISA (International Solar Alliance)

- Political Commitment: 1.5 bn € for solar energy between 2016 and 2022
- **End of 2019, committed financing stand at 1 bn €, contributing to more than 2650MW**
- Partnership with ISA on STAR-C
- Strong involvement on Solar Risk Mitigation initiatives

TO CONTRIBUTE TO ISA PROGRAMS



AFD Strategic
priorities

Type of solution /
Projects in Solar

Related ISA Program



Solar Mini grids

Off-grid solar power
system

#2 : Solar
application for
agriculture use

#3 : Scaling
Solar Mini grids

2019 : 6 projects financed for off grid electrification (mini grid, SHS)

Several mechanisms including ONG's financing, equity and loans to private sector

NIGERIA

Nigeria: Proparco is making an equity investment in RENSOURCE HOLDINGS, its first project launched through the European Union's ARE Scale-Up facility

Proparco, with support from the European Union, has signed a USD 3m equity investment in RENSOURCE HOLDINGS, a major player in off-grid power generation solutions using renewable energies in Nigeria. This operation has been carried out under the European Union's ARE Scale-Up ("African Renewable Energy Scale Up Guarantee facility) program to support private initiatives in this sector in Africa.

PROJECT DESCRIPTION

Financing Rensource's growth plan

CLIENT PRESENTATION

Developer, builder and operator of solar mini-grids for groups of companies (MSMEs)

PROJECT IMPACT

In terms of the climate, the project is fully in line with the 100% Paris Agreement mandate, with a reduction of 30k tons of CO2 a year as the expected impact on the climate compared to the initial solutions (diesel generators).



This project is carried out with the support of the European Union

20/09/2019

Date of signature of the project



Renewable energies and energy efficiency sector(s)



Nigeria
Location



Equity investment
ARE Scale Up
Financing tool



2 700 000 Euros
Amount of funding



USD 3m Equity Investment
Financing details



Rensource Holdings LLC
Client

B

CES

Le contenu de cette fiche projet relève de la seule responsabilité de Proparco et ne reflète pas nécessairement les opinions de l'Union européenne.

Ces informations sont données au moment de la signature et ne préjugent pas de l'évolution de l'opération/projet.



Energy through Medium Grant Programmes

Off-grid access to renewable energy is a key component to achieve the Sustainable Development Goal n°7 and allow social and economic development in developing countries. Although project developers have several innovative ideas to address this issue, attracting financing for rural electrification projects in remote areas has often proven to be a challenge. Taking this into consideration, the French Agency for Ecological Transition (ADEME) and the French Agency for Development (AFD) launched a call for projects in 2019 to support innovative projects for energy access led by NGOs or enterprises in Africa through medium grants and a two-year technical assistance.

TO CONTRIBUTE TO ISA PROGRAMS



AFD Strategic
objectives

Type of solution /
Project in Solar

Related ISA Program

Modernized
and
decarbonized
energy supply

Sectorial Reform (new
regulatory mechanisms)

Reinforcing private
investment

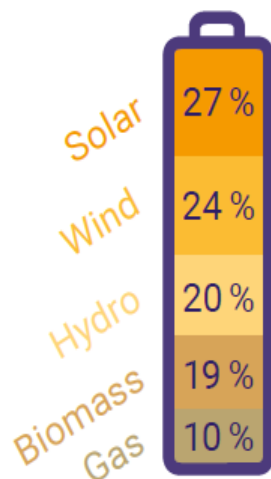
Large scale solar power
plants

#1 : Affordable
finance at
scale for solar
energy

TO CONTRIBUTE TO ISA PROGRAMS

2019 FIGURE


€754 M
 for power generation



Private

Public

SENEGAL

Senegal: Proparco is cofinancing the construction and operation of a photovoltaic power plant.

Proparco is providing EUR 7,009,000 of financing for the construction and operation of a photovoltaic power plant in Senegal. The photovoltaic power plant should reduce emissions by 48,100 tCO₂eq a year, while improving access to electricity for over 320,000 people.

PROJECT DESCRIPTION

The project involves financing the construction and operation of a 44 MWC photovoltaic power plant. The energy produced will be sold to the local utility Senelec.

CLIENT PRESENTATION

The borrower is an SPV specifically set up for the project. The SPV's shareholders are:

- The investment fund Meridiam;
- The energy operator ENGIE; and
- The Senegalese sovereign fund FONSI.

PROJECT IMPACT

This project is expected to have major impacts on development in Senegal:

- The photovoltaic power plant should reduce emissions by 48,100 tCO₂eq a year, while improving access to electricity for 320,000 people.
- By increasing the electricity supply, the success of 73

This information is given at the time of signature, without prejudice to any developments in the operation/project

18/07/2019

Date of signature of the project

Renewable energies and energy efficiency sector(s)

Senegal Location

Loan

Financing tool

7 009 000 Euros Amount of funding

EUR 7,009,000 loan Financing details

Scaling Solar Senegal_Kahone Client

Burkina Faso: Supporting solar energy and rural electrification (€136 million)

AFD, along with its partners at the European Commission and African Development Bank, is providing financial support to Burkina Faso for the Yeleen project. It features the construction of several photovoltaic solar power plants. These facilities will make the country a regional leader in the exploitation of solar energy, and it will allow Burkina Faso to export low-cost electricity to neighboring countries. The program also encompasses grid densification and a rural electrification component.

PUBLIC FINANCING : Solar Power Plant in West Africa – Burkina Faso



Type : Large Scale Power Plant

Client : SONABEL

Pays : Burkina Faso

Financing Tool :
Sovereign Loan
(on-lended as a grant)

Amount : 47,5M€

CONTEXT

- Very limited installed capacity (~250MW). Highly dependent on fuel importations and electrical interconnection with neighbouring countries (Ivory Coast and Ghana).
- Expensive cost to generate electricity (>20c€/kWh)

PROJECT DESCRIPTION

- 33 MW PV Power Plant commissioned on Nov 2017
- Co-financing between AFD (sovereign loan / 22,5 M€) and the EU (grant / 25 M€).

PROJECT IMPACT

- To increase the installed capacity of the country and reduce the cost of electricity generation for SONABEL
- To create a ratchet effect for the promotion of RE projects in the region.
- To improve the energy mixt of the country and enabling annual savings of 26,000 tonnes of CO2 equivalent.

PRIVATE FINANCING : Solar Power Plants

EGYPT

BENBAN

2017
Date of signature of the project

Climate & Energy
Sectors

EGYPT
Location

Loan
Financing tool

EUR 116 million
Amount of funding

SENEGAL

SENERGY

One of the largest
solar power plants
in West Africa

In Senegal, near Dakar, Proparco is supporting the construction of Senergy, one of the largest solar power plant in West Africa.

It will cover the needs of 226,500 inhabitants and diversify the country's energy mix.

CONTEXT

Senegal's major source of electricity is from fossil fuels, which represent an overwhelming 90% of its power supply.

The country wishes to continue with diversifying its energy mix, through the development of solar power.

PROJECT DESCRIPTION

With a nominal capacity of 30 MW, the Senergy solar power plant is one of the largest in West Africa.

Inaugurated on 29 June 2017, it is located in Santhiou Mékhé, in the region of Thiès, northeast of Dakar.

The investment project also provided for the installation of network connection infrastructure on behalf of Senelec, the national power utility.

PROJECT IMPACT

The power plant will supply electricity equivalent to the annual consumption of 226 500 inhabitants at a more competitive cost than the country's thermal power stations.

It will also contribute to the implementation of the government's *Plan for an Emerging Senegal*, which prescribes a significant increase in power generation capacity.

The project will further provide the momentum for Senegal to continue to diversify its energy mix, which in turn, will contribute towards the fulfilment of its commitments made at COP 21 (a reduction of greenhouse gas emissions by 34 000 teq CO₂ per year).

2016
Date of signature of the project

Energy
Sector

SENEGAL
Location

Loan
Financing tool

EUR 34,5 million
Amount of funding

Senergy PV SA
Client

GREEN CREDIT LINES SUNREF Thailand Case Study

AFD-KasikornBank credit facility – Boonthavorn



#	Branch	kWp
1	Rangsit	636
2	Kaset Navamintr	838
3	Suvarnabhumi	819
4	Pinklao	391
5	Rama 2	699
6	Pattaya	813
7	Chiangmai	995
8	Huahin	536
9	Suratthani	712
10	Udonthani	788
11	Rangsit - Distribution Centers (3)	473

PROJECT SUMMARY

BUILDING TYPE:	RETAIL
PROJECT CAPACITY:	10.08 MW
PROJECT INVESTMENT:	435 MILLION THB
ANNUAL COST SAVINGS :	2,773,709 THB
ANNUAL ENERGY SAVINGS:	13,621,152 KWH
ANNUAL CO2 SAVINGS:	8.036 TONS/YEAR
IRR:	15%

KEY TERMS:

- PERFORMANCE GUARANTEE FOR 10 YEARS
- PERFORMANCE RATIO GUARANTEE FOR 10 YEARS
- MAINTENANCE & SERVICING FOR 10 YEARS

TO CONTRIBUTE TO ISA PROGRAMS Renewable Energy Financing BUT NOT ONLY !

- **REINFORCEMENT, MODERNISATION and EXTENSION of GRID**

334 M€ dedicated to grid financing in 2019

Or Digital Energy Facility for utilities

- **SUPPORT FOR ENERGY TRANSITION POLICIES**

Enabling private sector investment (guarantee mechanisms)

Energy Transition Partnership in SEA



THANK YOU

afd.fr

#WorldInCommon

AGENCE FRANÇAISE DE DÉVELOPPEMENT | FRENCH DEVELOPMENT AGENCY